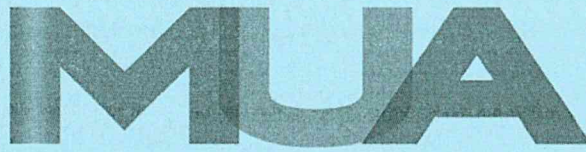


The
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UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP

BML 101: BUSINESS LAW

DATE: 4TH DECEMBER 2015

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

appointing a network of agents. You are required to prepare a report to the Board dealing with the following issues:

- a) The different ways in which an agent's authority can be classified under Kenyan law. (5 marks)
- b) The requirements that must be fulfilled before a principal can be bound by an agent's apparent authority. (5 marks)
- c) The ways in which an agency relationship may be terminated. (5 marks)

QUESTION FOUR

"The rule that you are to love your neighbour becomes in law, you must not injure your neighbour; and the lawyer's question, 'Who is my neighbour?' receives a restricted reply. You must take reasonable care to avoid acts or omissions which you can reasonably foresee would be likely to injure your neighbour. Who, then, in law is my neighbour? The answer seems to be: persons who are so closely and directly affected by my act that I ought reasonably to have them in contemplation as being so affected when I am directing my mind to the acts or omissions which are called in question." Lord Atkin in the ruling of *Donoghue V Stevenson* case

Discuss the legal requirements for negligence in the Law of Tort (15 Marks)

QUESTION FIVE

"If mistake operates at all, it operates so as to negative or in some cases to nullify consent"

Per Lord Atkin,

The underlying principle of the law of contract is still caveat emptor ("let the buyer beware"). The situations in which a contract will be avoided on the ground that one or both parties have made a mistake will be somewhat limited.

Define mistake, and explain the legal rules that govern mistake as a vitiating factor in contract. (15 marks)

QUESTION SIX

State any four legal rules that govern the relationship between partners set out in the Partnership Act, where partners have not made out an agreement (15 Marks)